(b) whether any proposals to set up such units in that State have been pending for Government's consideration;

(c) if so, the details thereof; and

(d) the steps taken to consider those proposals?

THE MINISTER OF STATE OF THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA J. PATEL): (a) Village industries, including agro-based industries throughout the country, including those in Orissa, are promoted by the Government (in the Ministry of Micro, Small and Medium Enterprises) through two credit-linked subsidy schemes, namely, (i) the Rural Employment Generation Programme (REGP), implemented by the Government from 01.04.1995 to 31.03.2008 through the Khadi and Village Industries Commission (KVIC), and (ii) the Prime Minister's Employment Generation Programme (PMEGP), being implemented from 2008-09 through KVIC as the single nodal agency at the national level and through field offices of KVIC, State/Union Territory Khadi and Village Industries Boards and District Industries Centres (DICs) at the State/Union Territories level, with involvement of banks. 8745 projects (6769 under REGP and 1976 under PMEGP) have been set up/sanctioned in Orissa till 31 March, 2009.

(b) to (d) Applications for setting up 'micro enterprises' including agro-based rural industries under PMEGP are not received directly by the Government in the Ministry of Micro, Small and Medium Enterprises. Under PMEGP, an eligible entrepreneur can establish a 'micro enterprise' by availing of margin money assistance from KVIC and loans from public sector scheduled commercial banks. For this purpose, proposals are invited from potential entrepreneurs at district level through advertisements in press and other media by KVIC, KVIBs and DICs at periodic intervals depending on the target allocated under PMEGP. The project proposals so received are scrutinized by the District Task Force Committees (DTFCs) constituted for the purpose headed by the concerned District Magistrate and based on the experience, technical qualifications, skill of the applicant, *via*bility of the project, etc., the applications/project proposals are short-listed and the applicants are called for interview to assess their knowledge about the proposed project, skill and entrepreneurship abilities to make the proposed project a success. Banks take final credit decision on the basis of DTFC recommendation and sanction the credit.

Hassle-free access to finance for development of industries

3763. SHRIMATI SYEDA ANWARA TAIMUR: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether there is hassle-free access to finance from public sector banks or other financial institutions for the development of industries, especially in micro, cottage sector;

(b) whether any alternative arrangement exist on institutional basis to meet the power requirements of micro, small sector industries in view of the continuous power outages, either due to fixed duration of power shut-down or due to random fault-oriented reasons; and

(c) what is the perspective planning for development of micro, cottage, small sector industries for the Eleventh and Twelfth Five Years Plans?

THE MINISTER OF STATE OF THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA J. PATEL): (a) The constraints faced by the micro and small enterprises (MSEs) in accessing the required credit facilities from institutional sources, *inter alia,* relate to elaborate procedural requirements, inadequate exposure to banks/financial institutions and collateral requirements. The Reserve Bank of India (RBI) has issued detailed guidelines to all scheduled commercial banks on lending to micro, small and medium enterprises (MSME) sector which, *inter alia,* provide for a time frame for disposal of loan application, loan limit for dispensing the collateral requirement and sub-targets for micro enterprises within the MSE lending. Further, the Government is implementing schemes like Prime Minister's Employment Generation Programme, Credit Guarantee Scheme, etc., to facilitate enhanced flow of credit to the sector, particularly the micro enterprises.

(b) While there is no alternative arrangement existing on institutional basis to meet the power requirements of MSEs across the country, MSEs are encouraged to install own diesel generator sets and use non-conventional energy sources. For the purpose, the Small Industries Development Bank of India (SIDBI) has introduced Diesel Generator (DG) Set Financing Scheme and the public sector banks provide finance for purchase of gensets on soft terms. In some States, separate feeder connections have been provided to industrial areas to reduce outages and provide more reliable power supply.

(c) The Eleventh Plan period extends from 2007-08 to 2011-12. The Plan recognises the MSE sector as an important segment of industry and emphasises on the need for meeting their credit, technology, marketing, skill development and infrastructural needs. Further, the Plan envisages increasing the production (at current price) and employment in the MSE sector from Rs.6,82,613 crore and 322.28 lakh persons in 2007-08 to Rs.13,98,803 crore and 391.73 lakh persons in the terminal year (2011-12) of the Plan period respectively.

Establishing SMEs in North Gujarat

3764. SHRI PRAVEEN RASHTRAPAL: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether he is aware about scope to establish small and medium industrial units in North Gujarat *i.e.* Mehsana, Sabarkantha, Banaskantha and Patan districts of Gujarat State; and

(b) if so, what action is proposed by his Ministry to commence such units?

THE MINISTER OF STATE OF THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA J. PATEL): (a) and (b) In order to assess the scope and potential to establish micro, small and medium industrial units, the Micro, Small and Medium